



LEASING SECTION

PETROLEUM LANDS DIVISION

OFFICE OF MINERAL RESOURCES

INSTRUCTIONS TO PUBLIC

HOW TO NOMINATE FOR, BID ON AND RELEASE ACREAGE FROM

A STATE OF LOUISIANA MINERAL LEASE



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DEPARTMENT OF NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL BOARD

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November 7, 2001

To Whom It May Concern:

Shortly prior to and beginning with the present fiscal year, personnel shortages in the leasing section had necessitated the acceptance and advertisement of nominated tracts without more than a cursory examination of location and other factors affecting the accuracy of the nomination. Because the acreage of nominated tracts was not verified prior to the monthly lease sales, the State Mineral Board adopted a policy of accepting the highest per acre bid for a tract, other factors such as royalty being equal. When the acreage of the bid upon tract was verified after the mineral lease sale the successful bidder was notified of any variance with the advertised acreage and, if the variance added acreage to that advertised an additional payment of the bonus/rental based on the accepted per acre price multiplied by the excess acreage is due, or, if the variance decreased acreage to that advertised a recoupment was due. The State Mineral Board will no longer adhere to the policy of accepting the highest per acre price, other factors being equal, as the sole determining factor in accepting a bid.

Beginning with the November, 2001, mineral lease sale the Board will consider all factors, such as, but not limited to, size of portion bid acreage, royalty bid, the price bid per acre, and additional consideration offered, in examining bids submitted on advertised tracts, and will select for leases those bids which it considers, in its sole discretion, to be in the best interest of the State. There may continue to be variances between the acreage advertised and the actual State owned acreage located within respective tracts. Those variances will continue to be handled in the current manner. We are continuing to work on advertising all tracts accurately as was done before the original changes stated above.

Should you have any questions concerning this change in policy, please contact Rick Heck at (225) 342- 6122 or Gus Rodemacher at (225)342- 4607.

GUIDELINES FOR NOMINATING A TRACT OF LAND TO BE INCLUDED IN A STATE MINERAL LEASE SALE

The State Mineral Board is authorized under R.S. 30:124 et seq. to grant oil, gas and other mineral leases on all land and/or water bottoms owned by the State of Louisiana. All nominations for leasing should fall under one of the following categories:

Offshore Tract: - Those tracts that lie seaward of the Louisiana coastline, but landward of the survey line lying three nautical miles from the Louisiana coastline, each as determined by the report of the Special Master and set out by a judgment decree rendered in June of 1975, in the litigation styled United States v. State of Louisiana, et al No 9 Original, by the Supreme Court of the United States. Leases on Offshore Tracts carry a maximum of five (5) years for the primary term.

Inland Tract: - Those tracts which lie landward of the Louisiana coastline as determined by the report of the Special Master and set out by a judgment decree rendered in June of 1975, in the litigation styled United States v. State of Louisiana, et al. No. 9 Original, by the Supreme Court of the United States. Leases on Inland Tracts carry a maximum of three (3) years for the primary term.

Wildlife and Fisheries Tracts: - Those tracts of land and/or water bottoms located within the geographical boundaries of recognized and named wildlife management areas, preserves, refuges or similarly defined and designated areas under the jurisdiction and control of the Department of Wildlife and Fisheries, and which contain underlying mineral rights belonging to the State of Louisiana. Parties desiring to nominate a tract within an area under the jurisdiction and control of Wildlife and Fisheries must contact that Department to notify them of the proposed lease as that Department must agree to any leases on property under its jurisdiction. Further, that Department has enacted special rules, provisions, regulations and/or other limitations on activity which are in force regarding each specific and respective wildlife management area, preserve, refuge or similarly designated area; which rules, provisions, regulations and/or other limitations, in most cases, must be incorporated into any lease given. Examples include: The Pass-a-Loutre Wildlife Management Area, Rockefeller Wildlife Refuge and The Russell Sage Wildlife Management Preserve (covering Marsh Island) under which the State of Louisiana owns only fifty percent (50%) of the minerals and mineral rights.

State Agency Tracts: - Those tracts owned by a State Agency such as school boards, levee districts and other boards and commissions, parish and municipality governments, universities or colleges, or other similar entities deriving power ultimately from the State of Louisiana, including Sixteenth Section Lands held by the State of Louisiana in trust for the school boards of the various and respective parishes. Under R.S. 30:151 et seq., State agencies may lease their own lands or may request the State to do it for them. In all circumstances, application must first be made to the agency owning or having control over the respective property to be leased and the agency will determine if it will lease the property or make application to the State to do it for them. Under R.S. 30:154(C) school indemnity lands may only be leased by the State.

White Lake Tract: - Those tracts which lie within the geographical boundaries of White Lake. Portions of White Lake have been determined by judgment in an appropriate court of law to be privately owned. Other portions of White Lake are subject to a judicial compromise and legislation (being Act 92 of the 1942 Regular Session of the Louisiana Legislature) requiring any party who obtains a mineral lease from the State on a particular tract to also obtain a mineral lease, the royalty and bonus/rental of which cannot be less than one-half (½) of the royalty and bonus/rental set forth in the State lease, on the same tract from **Llog Exploration Company** (immediate successor to Energy Development Corp.) and from **Avrico, Inc.** [both successors to Acadian Vermilion Rice Irrigation Company, Inc.] Other special provisions agreed upon by and between the State and Llog Exploration Company and Avrico, Inc. pertain to a minimum total royalty from all leases on a given tract of twenty-five percent (25%) together with a release clause at the end of the primary term releasing all depths below one hundred (100') feet below the deepest producing formation or behind pipe formation capable of producing. Those portions of White Lake comprising water bodies created by erosion of the shoreline from the time of the above set forth judicial compromise and legislation in 1942 to the present date are claimed one hundred percent (100%) by the State and the State does not require the second lease thereon from the above mentioned companies.

GENERAL INFORMATION CONCERNING NOMINATIONS

State mineral lease sales are generally held on the **Second Wednesday** of each month unless otherwise noticed. Nominations for a particular lease sale must be physically in the hands of appropriate personnel on the 8th floor in the Office of Mineral Resources, located in the LaSalle Building at 617 North 3rd Street, Baton Rouge, Louisiana, 70802-5428, whose mailing address is P. O. Box 2827, Baton Rouge, Louisiana, 70821-2827, no later than the end of business of the day and date published by the Office of Mineral Resources annually and made available to the public on request and on the Department of Natural Resources web page as being the cut-off date for receiving nominations for each respective monthly State mineral lease sale (This generally falls three (3) months prior to the State mineral lease sale date on which the nominated area will be available for bid). Also published by the Office of Mineral Resources and available to the public on request or on the Department of Natural Resources web page are the monthly State Mineral Lease Sale dates for the year and the dates on which the nominations will be advertised in the State journal for each respective State Mineral Lease Sale.

L.R.S 50:1 of the Louisiana Revised Statutes of 1950 provide that nominations in Avoyelles, Bienville, Bossier, Caddo, Caldwell, Catahoula, Claiborne, Concordia, DeSoto, East Carroll, Franklin, Grant, Jackson, LaSalle, Lincoln, Madison, Morehouse, Natchitoches, Ouachita, Rapides, Red River, Richland, Sabine, Tensas, Union, Vernon, Webster, West Carroll and Winn Parishes shall contain **North Zone** coordinates; while nominations in Acadia, Allen, Ascension, Assumption, Beauregard, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Evangeline, Iberia, Iberville, Jefferson, Jefferson Davis, Lafayette, Lafourche, Livingston, Orleans, Plaquemines, Pointe Coupee, St. Bernard, St. Charles, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington, West Baton Rouge and West Feliciana shall contain **South Zone** coordinates. Single nominations shall not overlap the North Zone and the

South Zone. However, if a group of contiguous nominated tracts has tracts in both the North Zone and the South Zone, the zone containing the majority of tracts will determine coordinate use throughout the group.

Tracts under a State mineral lease which may have terminated will not be accepted for nomination until the “terminated” lease has been fully released. This will have been accomplished by the recorded release being sent to the Office of Mineral Resources to be checked against lease ownership records to make sure that all working interest owners of record in our office have executed the release, that the release is in proper form and that it does, in fact, purport to release the entirety of the State mineral lease.

Where portions of State mineral leases are being or have been released, a nomination of that “released” portion will not be accepted until that portion has been fully released which is accomplished in the same manner as the terminated lease.

When the nominated Tract is tax adjudicated land, the nominating party shall accompany his nomination with a copy of the tax sale whereby the State acquired the said property, the name of the party who lost the property at the tax sale, the year for which taxes were unpaid which precipitated the tax sale, the date of the tax sale at which the property was lost and whether the State owns surface and minerals or minerals only.

All nominations shall be described using **X,Y** coordinates at the point of beginning, with the point of beginning so designated on the accompanying hard copy plat and in the word.doc file, and at all corners or turning points on the boundary of the nominated polygon (**with the X coordinate first**), and the written description shall include the distance and bearings between said points. **The X,Y coordinates in the word.doc file (written description) must match those in the dxf.file exactly.** Where arcs comprise a portion of the boundary, **the X,Y coordinate of the points at the beginning of the arc and at the end of the arc, radius of the arc and the chord distance and bearing between the beginning and ending points** shall be furnished in the description. The **positional error** of each point along the boundary line of a nomination shall not be greater than 0.02 feet.

Where the nominated tract abuts and intersects the **three mile line**, as specified in the report of the Special Master and set out in the judgment decree rendered by the Supreme Court of the United States in 1975 in the litigation styled United States v. State of Louisiana, et al No. 9 Original, the description shall include the following:

1. A point of beginning with an X,Y coordinate and so designated as “Point of Beginning.”
2. From a point on the boundary line of the nominated area having a specific X,Y coordinate describe a line with a precise distance and bearing to a point on the three mile line having a specific X,Y coordinate.
3. Thence describe an arc along the three mile line right or left of coordinate point in 2. above (If three mile line is arced at that portion; otherwise, describe the line with precise distance and bearing along the three mile line to the next point with an X,Y coordinate) and, in the written description, state “having a radius of 18240.60 feet and a center at (whatever the center is

specified in the above described judgment for each section of the coastline).” This will differ from the dxf.file in that when computing the point with X,Y coordinates on the three mile line and describing an arc to the next point with X,Y coordinate, the center from which the radius is measured will differ from that set out in the judicial decree in order to make the closure. **This will be the only time when a part of the description in the word.doc file differing from what is in the dxf.file will be acceptable to the State.** Continue describing that part of the nominated area in like manner for so long as the nominated area abuts the three mile line.

4. Thence finish the closure of the nominated polygon using points with X,Y coordinates connected by lines having distances and bearings.

A single nomination shall not cross over the Louisiana coastline as defined by the report of the Special Master and set forth in the judgment decree in June of 1975 by the Supreme Court of the United States in the litigation styled United States v. State of Louisiana, et al No. 9 Original to encompass both Inland and Offshore areas of State owned lands and/or water bottoms as herein above defined.

* A change of previous policy now permits a single nomination in an area utilizing the Block System, both Inland and Offshore, to include portions of more than one Block.

If the nominated tract abuts and intersects the **coastline** of Louisiana as set forth in the report of the Special Master and in the judgment decree rendered by the Supreme Court of the United States in 1975 in the litigation styled United States v. State of Louisiana, et al No. 9 Original, which is the demarcation line between tracts designated as Inland and those designated as Offshore by the Office of Mineral Resources, the following shall be included in the description:

1. A point of beginning, so designated, with an X,Y coordinate.
2. From a point on the boundary line of the nominated area having a specific X,Y coordinate describe a line with a precise distance and bearing to a point on the coastline - as designated herein above - having a specific X,Y coordinate.
3. Thence describe a line in a general direction, i.e., northwesterly, northerly, easterly, etc., to the next point on the coastline having a specific X,Y coordinate; and so on for as long as the nominated area abuts the coastline.
4. Thence complete the description utilizing points with specific X,Y coordinates connected by lines having specific distances and bearings.

A single nomination shall not include both a tract identifiable only by Section, Township and Range, or by distances and points using Section lines - such as tax adjudicated lands, vacated State lands or similarly described acreage - and a tract identifiable by X,Y coordinates. **Nominations of tax adjudicated lands, vacated State lands and such similarly described lands shall be separate for each such tract.**

Where the nominated tract encompasses a river, stream, bayou or other similarly long, narrow water body, the nominating party shall utilize a polygon only as large and as wide as is necessary to

completely encompass the water body nominated and the polygon shall be described utilizing X,Y coordinates at corners and turning points connected by lines with specific distances and bearings. Simply describing a specific water body as being bounded on a side - either north, south, east or west - by a north/south or east/west line having a single coordinate - either an X or a Y coordinate - thence along the water body to another boundary having a north/south or east/west line with a single coordinate **will not be accepted.**

The nominated area of interest shall not overlap existing State mineral leases nor shall it overlap the boundary of a wildlife management area, refuge, preserve or other similarly designated area under the jurisdiction of the Department of Wildlife and Fisheries. Nominations will not be allowed to overlap previously nominated tracts and any such overlaps shall be returned.

If the nominated area of interest partially encloses or abuts an existing State mineral lease **(having a portion of its boundary line in common with that of an existing State mineral lease)**, the following shall be included in the description:

1. A point of beginning (POB) so designated on the hard copy plat and in the word.doc file, having a specific X,Y coordinate located on the boundary line of the nominated area.
2. From the POB describe a line having a distance and bearing to a point on the boundary line of the existing State mineral lease where the X,Y coordinate must match that of the point on the existing State Mineral Lease with an error of no more than 0.01 feet.
3. Thence describe lines with distances and bearings along the boundary of the existing State mineral lease to points having specific X,Y coordinates on the boundary line of the existing State mineral lease for so much of said existing State mineral lease as is abutted or partially enclosed by the nominated area to a point having a specific X,Y coordinate on the boundary of the existing State mineral lease where the boundary of the nominated tract no longer coincides with the existing State mineral lease.
4. Thence finish the description of the nominated polygon utilizing points with X,Y coordinates at all corners or turning points connected by lines having distances and bearings back to the POB.

If the nominated area wholly encloses an existing State mineral lease, the nominating party shall include in the description of the nominated area the following:

1. A point of beginning (POB) so designated on the hard copy plat and in the word.doc file, having a specific X,Y coordinate on the boundary line of the nominated area.
2. From the POB describe a line containing distance and bearing to a point on the boundary line of the existing State mineral lease where the X,Y coordinate must match that of the point on the existing State mineral lease with an error of no more than 0.01 feet.
3. Thence describe lines with distances and bearings along the boundary of the existing State mineral lease to points having specific X,Y coordinates to include the entire boundary of the existing State mineral lease back to the original point of intersection of the nominated area with the existing State mineral lease with an X,Y coordinate match error of no more than 0.01 feet.
4. Thence finish the description of the nominated polygon utilizing the points with X,Y coordinates at all corners and turning points connected by lines having distances and bearings back to the POB or, the nominated tract can be split into two tracts each of which abuts or enclosed one-

half of the existing state lease and each of which can be described as set forth herein above for tracts which partially enclose or abut existing state leases.

Where the nominated area abuts an existing State mineral lease designated as a **floating lease** (having at least part of its boundary not fixed by points having X,Y coordinates because of the manner of the original description when the lease was awarded, i.e., "to the shoreline," or by Sections, Township and Ranges which cannot be converted by the staff to X,Y coordinates) on the GIS map of existing State mineral leases which can be found on the Department of Natural Resources website, or abuts a wildlife management area, preserve, reserve or other similarly designated area under the jurisdiction of the Department of Wildlife and Fisheries where the boundaries are not fixed with relation to other State lands or water bottoms in the view of the staff of the Office of Mineral Resources, or abuts any other area of an indeterminate boundary which cannot be overlapped by a nomination (**hereinafter all called "indeterminate areas"**), the nominating party shall include in the property description the following:

1. A point on the boundary of the nominated tract having a specific X,Y coordinate.
2. Thence a line having a particular bearing and an approximate distance and stated to intersect the boundary of the indeterminate area at a point with an X,Y coordinate.
3. Thence meander along the boundary line of the indeterminate area either back to the original point of intersection (if wholly enclosed) or to the point where partial enclosure terminates (if partially enclosed).
4. Thence state a line having a particular bearing and distance back to a point having an X,Y coordinate on the boundary line of the nominated area.
5. Thence finish the description of the nominated area utilizing points having X,Y coordinates connected by lines having distances and bearings.

****** A change of previous policy now requires that the nominated tract-whether containing only state owned lands and/or water bottoms, or a mixture of private and state owned lands and/or water bottoms-shall not contain more than two thousand five hundred (2500) acres of state owned lands and/or water bottoms within a square or rectangle only, no side of which is greater than three and one-half (3 ½) miles in length EXCEPT, that a nomination abutting an existing lease or the boundary of a wildlife management area or other similar area under the jurisdiction of the Department of Wildlife & Fisheries may have one side of the square or rectangle conform to the boundary line of the existing lease or wildlife management area.

If the nominated tract is in the Pass-a-Loutre Wildlife Management Area where privately owned acreage is mixed with State owned lands and water bottoms, and the polygon nominated contains both private and State acreage, the nominating party shall be responsible for separating out the private acreage from the State acreage in the nominated area using the same format - using X,Y coordinates where possible with connecting lines using distances and bearings, etc. - as is used in describing the nominated tract in the first place.

THE NOMINATION PROCESS

The following process is in conformity with R.S. 30:125, as amended, of the Louisiana Revised Statutes of 1950.

1. **The nominating party is required to submit his nomination on a diskette containing a discreet dxf.file and a discreet word.doc file, and his plat as hard copy on paper. (For a State Agency, tax adjudicated, vacant state land or school indemnity land tract where the only description is a legal one giving Section, Township and Range. or some other type of description not capable of translation into the 1927 Louisiana Coordinate System (utilizing points with X,Y coordinates) with points connected by lines with distances and bearings, no dxf.file is necessary; only a word.doc file in Microsoft Word giving the legal description and a hard copy plat, in the form and scale set forth herein below, is necessary)**

The dxf.file shall contain only the **boundary** of a nominated area (**single line**) with **no additional lines, labels, text or graphics**. The single line nominated area shall be constructed of individual line segments between vertices.

The word.doc file shall contain the written description of the nominated area in **Microsoft Word** only. The X,Y coordinates of the points, with the point of beginning clearly designated as such, on the description must match exactly the X,Y coordinates of the dxf.file and must be connected by line segments having specific distances and bearings. The description shall be in block form (**no indentations for course changes or for any other reason**) and each portion of the description shall be written out, i.e., the words North, South, etc. and the words inches, feet, miles, etc. for distances and degrees, minutes and seconds for bearings (**no abbreviations or symbols**). The word.doc file shall further contain the parish, or parishes, in which the nominated tract is located, whether the nomination is in the North or South Zone, and, in the Offshore Area, the Block System and Block Number of the nominated area..

The hard copy plat shall be on a scale of 1" to 1000', 1" to 2000', 1" to 3000' or 1" to 4000' and shall show only the nominated tract polygon, but only the point of beginning need be shown with X,Y coordinates. It shall have written thereon whether it is Offshore or Inland, North or South Zone and shall show the Block System and Block Number where appropriate. If appropriate, the plat shall state what background maps were used to calculate acreage.

If the nomination is for a State Agency tract for which the State is performing the leasing function, the nominating party shall turn in the nomination as herein above specified if the tract is otherwise incapable of translation into Louisiana Coordinate System of 1927. Otherwise, the nomination must include a diskette with a dxf.file and a word.doc file, the same as if nominating a State tract. Additionally, a resolution from the appropriate State Agency requesting the State to lease the property on its behalf must accompany the nomination.

2. **A check made payable to the Office of Mineral Resources, or to the Agency and endorsed to the Office of Mineral Resources if a State Agency nomination, in the full sum of the nominating fee (at present \$400 per nomination). If the same nominating party submits more than one nomination, said nominating party may pay the nominating fee with one check totaling the sum of \$400 multiplied times the number of nominations submitted. The nominating party will be given an invoice of the charges which must be paid in the Department of Natural Resources Accounting Office prior to the nominated tracts being processed.**

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GUIDELINES FOR SUBMITTING BIDS ON TRACTS INCLUDED IN A STATE MINERAL LEASE

*All bids must be submitted on the authorized state lease bid form, a copy of which is available on request at the Office of Mineral Resources, 617 N. 3rd Street, Baton Rouge, LA 70802, or on the Department of Natural Resources website. All bid forms submitted must be filled out correctly and contain the following:

1. The tract number being bid upon must be filled in the appropriate blank at the top of the bid form.
2. If the bid is for the entirety of the tract advertised, then fill in the acreage of the entire tract in the blank provided. If the bid is for a portion of the tract advertised, then the acreage amount of the portion bid must be written in the appropriate blank provided.
3. The name of the bidder must be provided in the appropriate blank because the lease award will be in the name of the bidder.
4. The primary term of the lease requested. **Offshore tracts** being bid on can

accommodate not more than a **five year** primary term, while **Inland tracts** can accommodate not more than a **three year** primary term. Bids received which specify a primary term greater than the respective maximums indicated may be rejected outright or the lease term may be shortened to the maximum available at the sole discretion of the State Mineral Board.

4. The "**Cash Payment**" bonus amount being bid must be filled in the blank provided and **must match exactly the amount of the certified or cashier's check, or bank money order furnished by the bidder with the bid form for the bonus/rental amount. Failure of the amount of the certified or cashier's check or bank money order sent by bidder to match exactly the amount written on the bid form may result in the bid being rejected.**

5. The approximate **price per acre bid** (which results from the total bonus/rental amount bid divided by the acreage bid upon-whether entire or portion) **must be filled in the blank provided** because the primary consideration for the State Mineral Board accepting a bid at the present time (other factors-such as royalty amount-being equal) is the highest per acre bid for the property. This is subject to change on due and adequate notification to the public.

6. The "**Annual Rental**" stipulated in the bid form is the delay rental which must be bid on all leases with a primary term in excess of one year and , under R.S. 30:127, cannot be an amount less than one-half ($\frac{1}{2}$) of the Cash Payment bonus bid. Rental amounts filled in for less than one-half ($\frac{1}{2}$) of the total Cash Payment bonus bid will be raised automatically to one-half ($\frac{1}{2}$) of said Cash Payment if the bid is otherwise accepted.

7. The royalties bid on all oil, gas or other liquid or gaseous minerals produced which cannot, under R.S. 30:127, be less than one-eighth ($\frac{1}{8}$). **Please note that the State Mineral Board has not approved a royalty in the amount of one-eighth ($\frac{1}{8}$) in a long time and may not entertain such a bid.**

8. **Rights to geothermal resources, free sulphur, potash, lignite, salt or any other solid minerals are to be excluded from any oil or gas mineral lease and any bid purporting to include those rights will be disregarded as to the extent of those rights only.**

9. Any "**Additional Consideration**", for example, an obligation to drill a well within a certain period of time or payment of a penalty, or an obligation to plug and abandon orphan wells located on the new lease upon the successful bidder obtaining the lease, may be filled in the appropriate space and will be considered by the State Mineral Board, among other factors, in awarding the lease.

* If the bid is for a portion of the entire tract, a plat transparency must accompany the bid showing the entire tract outline with the portion being bid on outlined in red or a darker line utilizing the same format, content and scale for the portion bid plat as specified for the nomination plat. **A diskette containing the portion bid plat in a dxf.file and the description in a word.doc file in like form required for nominations is requested by this office to accompany all portion bids. BEGINNING WITH THE MAY, 2002, MINERAL LEASE SALE, A DISKETTE MUST ACCOMPANY ALL PORTION BIDS AND ANY PORTION BID RECEIVED WITHOUT A DISKETTE MAY BE REJECTED OUTRIGHT.**

* In conformity with R.S. 30:127, as amended, together with other applicable laws and State Mineral Board policies, all bids on tracts advertised for any State Mineral Lease Sale **must be sealed** and delivered (as the designated State building) to the Office of Mineral Resources, presently located in the State Lands and Natural Resources Building, 625 N. 4th Street, Capitol Complex, Baton Rouge, Louisiana (P.O. Box 2827, Baton Rouge, LA 70821) **on or before 12:00 noon on the Tuesday prior to the State Mineral Lease Sale, unless otherwise specified and duly noticed by the Office of Mineral Resources, which said State Mineral Lease Sales are held on the second Wednesday of each month unless otherwise called by the Governor.** All bids must be submitted on the authorized Louisiana State Mineral Board Bid form, and each bid received will be opened publicly during the meeting of the State Mineral Board.

* The bid for each tract being bid upon shall be placed in a separate sealed envelope with the tract number of the tract being bid upon written on the outside of the sealed envelope, whether the bid is delivered in person or by mail. If bids are submitted by mail the individual sealed envelopes containing the bids may be place in a larger envelope, addressed and forwarded to the Office of Mineral Resources **with the notation that sealed bids are enclosed. PLEASE NOTE THAT ALL BIDS RECEIVED BY MAIL MUST BE RECEIVED, UNLESS OTHERWISE SPECIFIED BY THE OFFICE OF MINERAL RESOURCES AND DULY NOTICED TO THE PUBLIC, IN THE OFFICE OF MINERAL RESOURCES ON OR BEFORE 12:00 NOON ON THE TUESDAY PRIOR TO THE MINERAL LEASE SALE. ANY BID RECEIVED IN THE OFFICE OF MINERAL RESOURCES AFTER 12:00 NOON ON THE TUESDAY PRIOR TO THE MINERAL LEASE SALE, WHETHER DELIVERED BY MAIL OR IN PERSON, WILL NOT BE ACCEPTED.**

* When submitting a joint bid, the **undivided interest of each of the joint bid parties must be specified in the bid** in order that the proportionate interest of each bidder may be correctly stipulated in the lease document. Failure to designate the undivided interest of each party **shall result in the Mineral Board assigning equal lease interests to each joint-bidding party if the bid is accepted.**

* Each sealed bid shall contain a certified check, cashier's check or bank money order for the **"Cash Payment"** bonus, as per the authorized bid form, the amount of which must equal exactly the amount shown on the authorized bid form as being the **"Cash Payment"** bonus bid.

* Under rules promulgated by the Office of Mineral Resources and set forth in LAC 43:103, a **fee equal to ten percent (10%) of the Cash Payment bonus bid is required to be submitted by separate check, either accompanying the original bid (inside the sealed envelope) or mailed to the Office of Mineral Resources for receipt by the office within ten (10) days after the bid is accepted and the lease awarded. Bidders may use regular checks for the 10% fee, but failure to pay the fee or to honor the check will result in the lease not being executed by the State Mineral Board.**

* Under Act 8 of the 2000 Second Extraordinary Legislative Session, each successful bidder must pay by separate check made payable to the Office of Mineral Resources fees totaling \$15 per acre for the total number of acres being bid upon; which check may accompany the bid within the sealed envelope or be paid to the Office of Mineral Resources within ten (10) days of the bid being accepted by the State Mineral Board. The additional fee is comprised of the following:

1. A fee of \$10 per acre to be deposited in the Louisiana Wildlife and Fisheries Conservation Fund.
2. A fee of \$5 per acre to be deposited into the Oil and Gas Regulatory Fund.

FAILURE TO HONOR THE CHECK FOR THESE FEES WILL RESULT IN THE LEASE NOT BEING EXECUTED BY THE STATE MINERAL BOARD AND ISSUED TO THE SUCCESSFUL BIDDER UNTIL THE FULL AMOUNT DUE IS PAID.

ADDITIONAL REQUIREMENTS FOR BIDDING SPECIAL TRACTS

* All State Agency Tracts are deemed to be Inland Tracts for purposes of their primary terms, which shall not exceed three (3) years.

A certified or cashier's check or bank money order for the "Cash Payment" bonus bid on the State Agency Tract shall be made payable to the State Agency with the following exception:

If a Sixteenth Section, or part thereof, is located in a township which is situated in more than one Parish, the certified or cashier's check or bank money order is made payable to the **STATE TREASURER**.

The additional separate check for the ten percent (10%) administration fee, which must be paid on State Agency Tracts successfully bid upon in the State Mineral Lease Sale, shall be made payable to the Office of Mineral Resources.

Additionally, by Act 289 of the 1982 Regular Session of the Louisiana Legislature, the minimum royalty bid on all tracts leased for School Boards cannot be less than one-sixth (1/6).

* Tracts for lease within any management area, refuge, game preserve or other wildlife area under the jurisdiction of the Department of Wildlife and Fisheries shall have a maximum primary term of not more than three (3) years and any operations conducted under authority of a mineral lease secured from the State Mineral Board, including, but not limited to, the right to explore, drill, produce and market hydrocarbons, shall be limited to and governed by the rules and regulations promulgated by the Department of Wildlife and Fisheries for each respective area. It shall be the responsibility of the Lessee to determine what rules and regulations so promulgated may apply to the leased tract over and above those advertised.

* All bids, including portion bids, on tracts located within the Pass-A-Loutre Wildlife Management Area shall contain, in all respects of form and content, all of the required material for bids in general, including the diskette for portion bids. **In addition, the description, both plat and word, shall contain the amount of gross acreage area**

within the geometric polygon shape of the portion bid and the amount of net acreage owned by the State and will be expressed as less and except all privately owned acreage within the said geometric shape. The plat will clearly show the private acreage excepted and shall label said acreage as "Private Ownership-No State Interest". If the bid contains no privately owned acreage, a statement to that effect shall be placed in the bid and on the diskette. **FAILURE TO FOLLOW THESE ADDITIONAL GUIDELINES MAY RESULT IN THE BID BEING REJECTED OUTRIGHT BY THE STATE MINERAL BOARD AT ITS SOLE DISCRETION.**

* The Cash Payment bonus accompanying the bid form for all bids on tracts located on Marsh Island, within the Russell Sage Wildlife Management Preserve, shall be contained on two separate certified or cashier's checks or bank money orders: one for one-half (½) of the cash payment bonus made payable to the Office of Mineral Resources, and the other for one-half (½) of the cash payment bonus made payable to the RUSSELL SAGE FOUNDATION.

* The maximum primary term for any State mineral lease awarded on tracts located within White Lake shall not exceed Three (3) years. In addition, under Act No. 92 of the 1942 Regular Session of the Louisiana Legislature, within sixty (60) days of obtaining a mineral lease from the State, Lessee must obtain additional leases over the same tract acreage leased from the State, proof of which must be furnished to the Office of Mineral Resources, from Llog Exploration Company (Successor to Energy Development Corp.) and Avrico, Inc. (both successors in title to Acadian Vermilion Rice Irrigation Company, Inc.) the terms of which must closely follow those of the State lease and contain a Cash Payment bonus and a royalty of not less than one-half (½) of that set forth in the State lease, neither of which will in any way decrease the Cash Payment bonus and royalties paid to the State. It is further provided that the total royalty in the State lease and the lease obtained from Llog Exploration Company and Avrico, Inc. shall not amount to less than twenty-five (25%) percent. The State lease will contain a provision in favor of Lessor that, at the end of the primary term of the lease, Lessee shall release in favor of Lessor all of Lessee's right, title and interest in such lease or leases as to all depths below one hundred feet (100') below the deepest formation being produced, or behind pipe, capable of producing in paying quantities.

* The Initial Term (equivalent to the primary term of a lease) of any EXCLUSIVE GEOPHYSICAL AGREEMENT (whether Type #1, Type #2 or Type #3) shall be for eighteen (18) months with an Option Term, if exercised by additional payment as specified in the agreement, of six (6) months. The minimum price per acre for the rights to shoot seismic over the nominated State acreage during the Initial Term, or Option Term if exercised, of any type of Exclusive Geophysical Agreement will be set by the State Mineral Board and advertized, and no bid lower than the minimum price per acre as advertized multiplied by the total State owned land and/or water bottoms acreage located within the geographical area of the seismic shoot will be accepted. In the case of the Exclusive Geophysical Agreement # 3, which contains a option to

select leases, said option is to be exercised prior to the end of the Initial Term, or the Option Term if applicable. The total acreage which may be selected for leasing is a specified percentage of the total State owned acreage within the geographical area of the seismic shoot and must be selected in increments not larger than fifteen hundred (1500 Ac) acres per lease. The minimum price per acre from which the Cash Payment bonus is to be computed and a minimum royalty for leases selected, shall have been determined by the State Mineral Board and advertised for bid at the same time the Exclusive Geophysical Agreement is being bid, and any bid containing less than those minimums shall result in **THE BID BEING REJECTED OUTRIGHT. PLEASE NOTE THAT THE CASH PAYMENT BONUS ON THE LEASES IS DUE AND PAYABLE AT THE TIME LEASES ARE SELECTED. ADDITIONALLY, THE TEN PERCENT (10%) FEE AND THE \$15 PER ACRE FEE FOR THE OFFICE OF CONSERVATION AND THE DEPARTMENT OF WILDLIFE AND FISHERIES MUST BE PAID. EACH OF THESE PAYMENTS MUST BE PAID BY SEPARATE CHECK MADE PAYABLE TO THE OFFICE OF MINERAL RESOURCES AT THE TIME THE LEASES ARE SELECTED.**

RELEASING ACREAGE BACK TO THE STATE

Whenever a lease terminates, in whole or in part, for any reason, all working interest owners must execute and record a release, or partial release if applicable, of same within ninety (90) days of said termination or incur a penalty amounting to \$100 per day until the release, or partial release, is recorded. The form of the release must contain the following:

- * Both a plat and written description containing metes and bounds with coordinates based on the Louisiana Coordinate System of 1927, North or South Zone (as applies) and delineating both the released acreage and the retained acreage.
- * Boundaries clearly delineated on an 8 ½ " x 11" copy of the most recent edition of the 7 ½ minute U.S.G.S. Quadrangle Map (scale 1"=3000' or 1"=2000'; or the block system of 1"=4000' if applicable).
- * Point of Beginning with X-Y coordinates (if applicable).
- * X-Y coordinates for all corners of both released and retained area.
- * State owned acreage of both the released portion and the retained portion.
- * Diskette with a dxf.file (geographical area) and a word.doc file (description) indicating **area released** and the **area retained**.

THE ABOVE REQUIREMENTS FOR RELEASING BACK TO THE STATE ARE EFFECTIVE IMMEDIATELY AND FAILURE TO COMPLY MAY RESULT IN

**CERTAIN ACTIONS BEING TAKEN BY THE OFFICE OF MINERAL
RESOURCES WHICH WOULD HINDER THE PARTY FAILING TO COMPLY
FROM DOING FURTHER BUSINESS WITH THE STATE.**

OFFICE OF MINERAL RESOURCES

Listed below are important dates scheduled for the State Mineral Board meetings of 2002.

JANUARY

Date of Lease Sale
Deadline for receipt of applications
Advertising Date

January 9, 2002
September 24, 2001
November 21, 2001

FEBRUARY

Date of Lease Sale
Deadline for receipt of applications
Advertising Date

February 13, 2002
October 22, 2001
December 19, 2001

MARCH

Date of Lease Sale
Deadline for receipt of applications
Advertising Date

March 13, 2002
November 26, 2001
January 16, 2002

APRIL

Date of Lease Sale
Deadline for receipt of applications
Advertising Date

April 10, 2002
December 21, 2001
February 20, 2002

MAY

Date of Lease Sale
Deadline for receipt of applications
Advertising Date

May 8, 2002
January 28, 2002
March 20, 2002

JUNE

Date of Lease Sale
Deadline for receipt of applications
Advertising Date

June 12, 2002
February 25, 2002
April 17, 2002

JULY

Date of Lease Sale
Deadline for receipt of applications
Advertising Date

July 10, 2002
March 25, 2002
May 15, 2002

AUGUST

Date of Lease Sale
Deadline for receipt of applications
Advertising Date

August 14, 2002
April 22, 2002
June 19, 2002

SEPTEMBER

Date of Lease Sale
Deadline for receipt of applications
Advertising Date

September 11, 2002
May 27, 2002
July 17, 2002

OCTOBER

Date of Lease Sale
Deadline for receipt of applications
Advertising Date

October 9, 2002
June 24, 2002
August 21, 2002

NOVEMBER

Date of Lease Sale
Deadline for receipt of applications
Advertising Date

November 13, 2002
July 22, 2002
September 18, 2002

DECEMBER

Date of Lease Sale
Deadline for receipt of applications
Advertising Date

December 11, 2002
August 26, 2002
October 16, 2002

NOTE: Advertising dates listed herein are dates to be used by the Official State Journal and do not necessarily apply to the Official Parish Journals.

Docket matters must be received in this office by date of lease sale to be considered for next month's docket.

OFFICE OF MINERAL RESOURCES
 Approved form for application to lease
 State-owned lands and waterbottoms

Name		
Social Security No. (or) Tax ID No.		
Address (Street No. or P.O. Box)		
City	State	Zip Code
Area Code	Phone No.	
Area Code	Fax No.	
Application Date		

Gus C. Rodemacher, Assistant Secretary
 Office of Mineral Resources
 P.O. Box 2827
 Baton Rouge, Louisiana 70821-2827

Dear Sir:

By virtue of and in conformity with the provisions of Chapter 2, Title 30 Sections 121-136 of the Louisiana Revised Statutes of 1950, as amended, the undersigned hereby makes application for an oil, gas and mineral lease on the following described tract situated in _____ Parish (es), Louisiana, to wit:

Attached hereto is one (1) copy of a plat upon which has been outlined the above described tract.

Two additional copies of the application and plat are submitted for your f:

There is also attached a **Check**, payable to the Office of Mineral Resources, in the amount of **\$400.00** (nonrefundable fee) to cover the cost of advertisement. The name to appear as applicant in your Notice of Publication is _____

Yours very truly,

Attachments

PORTION BIDS MUST CONTAIN THE FOLLOWING:

_____ Boundaries are clearly delineated on an 8 ½ " X 11" copy of the most recent edition of the 7 ½ minute U.S.G.S. Quadrangle Map (scale 1" = 2000' or 1" = 3000').

_____ Point of Beginning with X-Y coordinates (if applicable).

_____ Section, Township, Range and Parish, and/or Offshore Area and the Block Number.

_____ Acreage figure of the State owned land or water bottoms within.

_____ Adjacent or intersecting State Mineral Leases. State Mineral Leases located entirely within the nominated area shall also be shown.

_____ Compromise areas or areas where the State of Louisiana has a reduced mineral interest are shown and any other geographical information which more fully defines and / or explains the area of interest is shown.

_____ Portion bid is entirely within nominated area

_____ 3 copies of the plat

_____ 3 copies of the description

_____ Shows clearly the entire tract boundaries in relationship to the portion bid upon.

_____ Labeled plat as portion bid and indicate the amount of acres bid upon

_____ Diskette with dxf. file (*geographical area*) and word doc. file (*description*), indicating area bid upon

_____ Diskette labeled, on the outside with tract number, area, and acreage.

MINERAL LEASE NOMINATION, PORTION BIDDING AND PARTIAL RELEASE REQUIREMENTS CHECKLIST

(To Accompany Nomination, Portion Bid, and Partial Release)

_____ Nominations submitted in triplicate with cover letter and \$200.00 fee. (Certified check, cashier's check or bank money order, made payable to Office of Mineral Resources)

_____ Resolutions attached for State Agency nominations.

_____ Nominated area does not overlap or leave small gaps between existing State Leases or currently nominated tracts.

_____ Nomination does not exceed size (18,480' - any line segment) or acreage (2,500 state owned mineral acreage) restrictions and includes any special instructions contained in the guidelines.

THE WRITTEN DESCRIPTION FOR NOMINATION MUST CONTAIN THE FOLLOWING:

_____ Metes and bounds with coordinates based on the Louisiana Coordinate System of 1927, North or South Zone (as applies). The description accurately and clearly defines the nominated area. All calculations, closures and ties to existing State Leases comply with generally accepted surveying standards.

_____ Boundaries are clearly delineated on an 8 ½ " x 11" copy of the most recent edition of the 7 ½ minute U.S.G.S. Quadrangle Map (scale 1"=2000' or 1"=3000'). Nominations located within a defined block system may be submitted on a copy of the block system map (1"=4000').

_____ Point of Beginning with X-Y coordinates (if applicable).

_____ Acreage figure of the State owned land or water bottoms.

_____ X-Y coordinates for all corners of the nominated area.

_____ If the nominated area is adjacent to or intersects an existing State Mineral Lease, the description contains a bearing and distance to the point of intersection with the State Mineral Lease, coordinates of the point of intersection, metes and bounds around the existing State Mineral Lease, and coordinates of the point of intersection where the nominated tract leaves the existing State Mineral Lease. Existing State Mineral Leases that lie entirely within the nominated area are excluded from the nominated area with a "Less and Except" clause.

_____ 3 copies of plats

_____ 3 copies of descriptions

_____ Diskette displaying a dxf. file (*geographical area*) and a word doc. file (*description*) for each nomination

PARTIAL RELEASE

_____ Metes and bounds with coordinates based on the Louisiana Coordinate System of 1927, North or South Zone (as applies). The description must accurately and clearly defines the area being released and retained. All calculations, closures and ties to existing State Leases comply with generally accepted surveying standards.

_____ Boundaries are clearly delineated on an 8 ½ " x 11" copy of the most recent edition of the 7 ½ minute U.S.G.S. Quadrangle Map (scale 1"=2000' or 1"=3000').

_____ Point of Beginning with X-Y coordinates (if applicable).

_____ Acreage figure of the State owned land or water bottoms.

_____ X-Y coordinates for all corners of released and retained area.

_____ Diskette with a dxf. file (*geographical area*) and a word doc. file (*description*), indicating area **released**

_____ Diskette with a dxf. file (*geographical area*) and a word doc. file (*description*) indicating area **retained**

TYPES OF PAYMENTS

_____ Certified check, cashier's check or bank money order, in the amount of **Two Hundred Dollars (\$200.00)**, for each General nomination, made payable to **Office of Mineral Resources**

_____ Certified check, cashier's check or bank money order, in the amount of **Two Hundred Dollars (\$200.00)**, for each State Agency nomination, made payable to the **State Agency and endorsed to the Office of Mineral Resources**

_____ (Bidding) General - First year rental or bonus - Certified check, cashier's check or bank money order, made payable to **Office of Mineral Resources**

_____ (Bidding) State Agency - Certified check, cashier's check or bank money order, made payable to the **State Agency**

_____ (Special Fees) General and State Agency - 10% cash payment of bonus amount of bid. Personal Check or Company check made payable to **Office of Mineral Resources**

_____ (Louisiana Wildlife & Fisheries and Conservation Funds) \$15 per acre fee for acreage bid upon and accepted. Personal Check or Company check made payable to **Office of Mineral Resources** (note - this **does not** pertain to State Agencies)

Call the Leasing Section (225) 342-3374 or 342-2792 with any questions.

STATE LEASE NO. 16804

EXHIBIT "A"

PORTION OF TRACT 32684 - PORTION OF BLOCK 10, WEST CAMERON AREA, REVISED,
Cameron Parish, Louisiana

That portion of Block 10, West Cameron Area, Revised, Cameron Parish, Louisiana, belonging to the State of Louisiana and not under mineral lease on August 9, 2000, described as follows: Beginning at a point on the West line of Block 10, West Cameron Area, Revised, having Coordinates of X = 1,293,645.38 and Y = 401,169.27; thence South 45 degrees 04 minutes 25 seconds East 8,452.68 feet to a point having Coordinates of X = 1,299,630.00 and Y = 395,200.00; thence West 6,500.00 feet to a point having Coordinates of X = 1,293,130.00 and Y = 395,200.00; thence North 39 degrees 51 minutes 49 seconds West 7,776.80 feet to the point of beginning, containing approximately **822.21 acres**, as shown outlined in red on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as hereinabove reserved.

BIK. 9

BIK. 10

BIK. 11

PORTION OF
TRACT 32684
±822.21 ACRES

REMAINDER OF
TRACT 32684

P.O.B.
X=1,285.145.38
Y= 401,169.27

NAO 27 LAMBERT LA. SOUTH ZONE



REVISED:

2001652 / : / Infocad/water/TRM02 121

WEST CAMERON AREA, REVISED

BIK. 21

PLAT ACCOMPANYING APPLICATION
TO LEASE PORTION OF TRACT 32684

Cameron Parish, Louisiana



Scale In Feet

August 4, 2000

The **area to be released** is described as that portion of State Lease 14795, as amended, being more fully described as follows: Beginning at a point on the West line of State Lease 14795, as amended, having Coordinates of $X = 2,134,374.94$ and $Y = 125,205.68$; thence North 27 degrees 10 minutes 29 seconds East 2,682.40 feet to a point on the North line of Ship Shoal Block 64 having Coordinates of $X = 2,135,600.00$ and $Y = 127,591.99$; thence East 3,500.00 feet along said North line to a point on the East line of said State Lease No. 14795 having Coordinates of $X = 2,139,100.00$ and $Y = 127,591.99$; thence South 20 degrees 23 minutes 06 seconds West 2,545.76 feet along said East line of State Lease 14795 to a point having Coordinates of $X = 2,138,213.23$ and $Y = 125,205.68$; thence West 3,838.29 feet to the point of beginning, containing approximately 201.00 acres, as shown on the attached plat attached hereto as Exhibit "A" prepared by C & C Technologies, Inc. dated July 11, 2001. All bearings, distances and coordinates are based on the Louisiana Coordinate System of 1927, South Zone.

The **area to be retained** is described as that portion of State Lease 14795, as amended, being more fully described as follows: Beginning at a point on the West line of State Lease 14795, as amended, having Coordinates of $X = 2,134,374.94$ and $Y = 125,205.68$; thence East 3,838.29 feet to a point on the East line of said State Lease No. 14795 having Coordinates of $X = 2,138,213.23$ and $Y = 125,205.68$; thence South 20 degrees 23 minutes 06 seconds West 7,336.30 feet to a point having Coordinates of $X = 2,135,657.84$ and $Y = 118,328.81$; thence Northwesterly on an arc having a radius of 18,240.60 feet and a center at $X = 2,138,231$ and $Y = 136,387$ to a point having Coordinates of $X = 2,134,698$ and $Y = 118,492$; thence Northwesterly on an arc having a radius of 18,240.60 feet and a center of $X = 2,134,210$ and $Y = 136,726$ to a point having Coordinates of $X = 2,132,600.00$ and $Y = 118,556.59$; thence North 3,191.68 feet to a point having Coordinates of $X = 2,132,600.00$ and $Y = 121,748.27$; thence North 27 degrees 10 minutes 29 seconds 3,886.40 feet to the point of beginning, containing approximately 603.88 acres, as shown on the attached plat attached hereto as Exhibit "A" prepared by C & C Technologies, Inc. dated July 11, 2001. All bearings, distances and coordinates are based on the Louisiana Coordinate System of 1927, South Zone.

BLOCK 47

**AREA TO BE RELEASED
201.00 ACRES**

BLOCK 46

Y=127,591.89'

P.O.B.

X= 2,134,374.94'
Y= 125,205.68

OPEN

S.L. 14794

S.L. 14795

**AREA TO BE RETAINED
603.88 ACRES**

BLOCK 64

S.L. 14796

X=2,140,400.00'
BLOCK 65

BLOCK 64

3 MILE LINE

3 MILE LINE

OCS-12346

SHIP SHOAL AREA

BLOCK 71

BLOCK 70

2000' 0' 2000'
SCALE IN FEET

Exhibit "A"

C&C Technologies
SURVEY SERVICES
730 E. KALISTE SALDON ROAD, LAFAYETTE, LA (337) 281-0680

**PORTION OF STATE LEASE 14795
TO BE RELEASED
BLOCK 64, SHIP SHOAL AREA
TERREBONNE PARISH, LOUISIANA**

Sep #23 (Page 25)

TRACT 32774 - Cameron Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description and all islands and other lands formed by accretion or reliction, except tax lands, owned by and not under mineral lease from the State of Louisiana on September 13, 2000, situated in Cameron Parish, Louisiana, within the following described boundaries: Beginning at a point having Coordinates of X = 1,575,067.56 and Y = 464,136.98; thence East 12,560.00 feet to a point having Coordinates of X = 1,587,627.56 and Y = 464,136.98; thence South 7,080.00 feet to a point having Coordinates of X = 1,587,627.56 and Y = 457,056.98; thence West 12,560.00 feet to a point having Coordinates of X = 1,575,067.56 and Y = 457,056.98; thence North 7,080.00 feet to the point of beginning, containing approximately 664 acres, as shown outlined in red on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as hereinabove reserved.

Applicant: Stephen M. Jenkins & Associates, Inc.

